

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

Foreign CROPS AND MARKETS



VOLUME 61

NUMBER 18

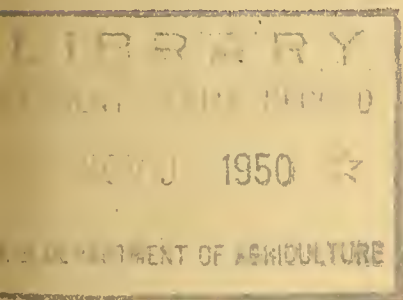
CONTENTS

	Page
COTTON AND OTHER FIBER	
Canadian Cotton Consumption at High Level.....	440
Cotton Production Expanding in Iran.....	441
U.K. Raw Cotton Commission Raises Cotton Prices.....	442
Cotton Consumption Up in Belgium.....	443
Cotton-Price Quotations on World Markets.....	445
FATS AND OILS	
Canadian Supreme Court Margarine Decision Upheld by Privy Council.....	430
Chilean Oilseed Plantings Expected to Decrease.....	431
Peru's Vegetable Oil Production Remains Stable.....	433
Dominican Republic Duty on Fish Oil Raised Sharply.....	433
FOREIGN TRADE	
Trends in U.S. Foreign Trade.....	426
FRUITS, VEGETABLES AND NUTS	
World Dried Peach Production Smallest in Years.....	416
World 1950 Dried Apricot Output Down Slightly.....	420
World Dried Pear Production Declines.....	423
World 1950 Dried Apple Pack Smallest in Years.....	426
British Food Ministry Purchases Nova Scotian Apples.....	439
GRAINS, GRAIN PRODUCTS AND FEEDS	
Burma Exports Less Rice in September.....	437
Egypt Regulates Wheat and Barley Seeding.....	438
India Revises 1950 Wheat Crop Estimate.....	438
Canada's Freight-Assisted Wheat Shipments.....	439
LIVESTOCK AND ANIMAL PRODUCTS	
Indicated 1950 World Milk Production.....	414
Argentina Establishes Livestock Institute.....	439
Irish-U.K. Butter Trade Becoming Unprofitable.....	440
TOBACCO	
Brazil's Tobacco Production and Exports Increased.....	434
Thailand's Flue-Cured Tobacco Production Increased.....	435
Greece's Tobacco Production Near Prewar Level, Exports Decline.....	435
TROPICAL PRODUCTS	
Another Large Cacao Crop Forecast for Dominican Republic.....	436
Record Coffee Output Forecast for British East Africa....	436

FOR RELEASE

MONDAY

OCTOBER 30, 1950



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

L A T E N E W S

The French Government has ordered about 6.6 million pounds of butter from Denmark at the approximate price of 66.5 cents per pound.

- - - - -

The number of cattle in the Netherlands in September, is reported at 2,707,000 head, according to census returns, an increase of about 6 percent above comparable 1949 and only 1 percent below September 1939.

Hog numbers, reported at 2,173,000 head, showed a gain of around 23 percent above September 1949 and are approximately 34 percent above the 1939 level.

- - - - -

The British Ministry of Food recently announced that, beginning October 15, 1950, the fresh meat ration would be reduced from 1s.7d. (22.2 cents) to 1s.6d. (21.0 cents) per person per week. The bacon ration, which was reduced from 5 ounces to 4 ounces per week on October 8, 1950, will be reduced again on October 22, 1950 to 3 ounces per person per week. Seasonal variations in supplies of home-killed meat and imported bacon are reported to have influenced the changes in the rations.

- - - - -

(Continued on Page 444)

FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.

INDICATED WORLD 1950 MILK PRODUCTION 1/

Milk output has been increasing over most of the world this year and total milk production during 1950 in major producing countries is indicated at approximately 4 percent above 1949, according to information available to the Office of Foreign Agricultural Relations. The production of milk in 1950 will be approximately 8 percent larger than prewar (1934-38). Increases in the number of dairy cows in many countries and a generally higher rate of production, attributed to better feeding, are primarily the reasons for the continued increases. Prices paid for milk to producers in 1950 have been about the same or lower than in 1949 with only few exceptions and there has been increasing effort from dairy interests to prevent further declines.

The largest percentage increases in milk production continued to be in European countries with the output in this area approaching prewar levels in 1950. The Netherlands, Czechoslovakia, Denmark, Sweden, Ireland, Austria and the United Kingdom are all making substantial gains this year over their respective outputs a year earlier and a few countries, especially the United Kingdom, the Netherlands, Norway and Sweden, are producing milks at levels considerably above prewar.

The only reporting European countries not exceeding prewar are Austria, Czechoslovakia, Switzerland and Germany, but it is suspected that several of the Balkan countries for which no pertinent data are available are still producing less milk than in 1934-38.

Milk production in Australia during 1950 is about the same as in 1949 and output in New Zealand during the production year 1949-50 was 4.5 percent above the comparable preceding year and 1 percent above the previous all time record during 1940-41. Milk output in the United States is continuing its upward trend by a 1 percent gain in 1950 over last year, while Canadian production is running only very slightly below the comparable 1949 production.

In the Caribbean and South American countries production of milk increased as the result of considerable effort by many to supply a larger portion of their respective domestic demands from indigenous production. Argentina encouraged indigenous milk output, but sparse pastures and short feed supplies due to extended drought condition have caused a setback in dairying this year.

Milk cow numbers during 1950 have shown increases in all countries where information is available, except in Australia and in the United States where cow numbers have declined from 1944 to 1949. The slight decrease in Australian cow numbers was due to heavier than usual culling in localized flooded areas and some diversion away from dairying to other farm enterprises. The yield per cow has also been improved during the years since the stock are being better fed and husbandry practices are improving. Several countries dependent upon their stock for both milk and draft power have been increasing the percentage of stock used only for milk and are depending more upon tractors for field work.

1/ A more extensive statement will soon be obtainable as a Foreign Agriculture Circular from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

MILK: Indicated 1950 production in important producing countries, with comparisons 1/

Countries	Average 1934-48	1948	1949	1950
	Million pounds	Million pounds	Million pounds	Million pounds
Canada.....	15,018	16,730	16,788	16,800
United States.....	105,416	118,353	121,962	123,300
Austria..... <u>2/</u>	5,602	3,425	4,079	4,400
Belgium.....	6,790	6,305	6,700	7,000
Czechoslovakia..... <u>3/</u>	9,828	4,976	5,768	6,500
Denmark..... <u>4/</u>	11,684	8,982	10,789	11,900
Ireland.....	5,090	4,442	5,082	5,500
Germany (Western).....	- -	- -	24,967	32,500
Italy..... <u>5/</u>	13,750	- -	13,000	13,800
Netherlands.....	11,180	9,883	11,609	13,400
Norway..... <u>4/</u>	2,954	3,067	3,408	3,480
Sweden..... <u>4/</u>	10,238	9,802	10,538	11,800
Switzerland <u>6/</u> <u>4/</u>	6,041	5,038	5,214	5,300
United Kingdom.....	18,424	20,188	21,417	23,000
Australia <u>7/</u>	11,780	12,169	12,877	12,700
New Zealand <u>8/</u> <u>9/</u>	9,454	9,263	10,000	10,466

1/ Cows' milk. 2/ For the year 1934. 3/ For the year 1937. 4/ For the years 1933-1937. 5/ For the year 1938. 6/ Production includes goats' milk. 7/ Excludes milk fed to calves. 8/ Utilization of butterfat converted to milk equivalent on the basis of 4.5 percent fat content. 9/ For the year ending July 31.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics, U.S. Foreign Service reports, and other information.

Pastures generally have been quite good and continued to provide good feed late into the year, though in a few countries they were a little late due to excessive rains and cool weather. Concentrates have been in adequate supply and more easily obtainable in most European countries than anticipated earlier.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

WORLD DRIED PEACH PRODUCTION SMALLEST IN YEARS

The 1950 preliminary estimate of dried peach production in the United States, Argentina, Australia, Chile, and the Union of South Africa, the leading commercial producing countries, is 10,500 short tons compared with 20,100 tons (revised) in 1949 and 13,800 tons in 1948. The estimate is only 42 percent of the 10-year (1939-48) average of 25,300 tons and 41 percent of the 5-year (1944-48) average of 25,600 tons. The estimate is the smallest in the past quarter of a century.

The output in Australia, Chile, and the Union of South Africa showed a small decline while the Argentine pack was the same as last season. In the United States, the world's largest producer of dried peaches, the 1950 pack, according to Trade sources, was only slightly over a third of that of a year ago. On the basis of preliminary estimates now at hand the world's supply of dried peaches during the 1950-51 marketing season is equal to slightly more than half of the 1949-50 pack. The United States pack is only about 25 percent of the 10-year average.

The 1950 pack in Argentina will be almost entirely consumed in the domestic market. The consumption of dried peaches in that country is greater than that of dried apples, apricots and pears combined. Occasionally small lots of dried peaches are exported from Argentina. So far this season, only 4 tons were exported, all to Brazil. Most of the peaches dried in Argentina are clingstones. It is estimated about 45 percent are whole destoned, 40 percent with stone, 10 percent strips, and 5 percent destoned halves.

The fresh peach crop in Australia was the smallest in the past 3 years. There was a good demand for fresh fruit, which reduced the quantity available for drying. The quantity of dried peaches produced in recent years has been insufficient to cover domestic requirements, although small exports have been made from time to time. During this season to date 39 tons were exported (38 tons to New Zealand) compared with 22 tons in 1949. The retail prices in Sydney on October 1, were about 31 cents per pound, up slightly from last year.

PEACHES, dried: Estimated commercial production in specified
countries, 1950 with comparisons

(Rounded to nearest 100 short tons)

Year	Argentina	Australia	Chile	Union of South Africa	Foreign total	United States	World total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
<u>Average</u>							
1939-48	2,700	500	1,000	800	5,000	20,300	25,300
1944-48	3,400	500	900	900	5,700	19,900	25,600
<u>Annual</u>							
1944	2,500	500	1,000	1,300	5,300	26,700	32,000
1945	3,200	600	800	900	5,500	22,800	28,300
1946	4,300	500	800	800	6,400	25,000	31,400
1947	3,500	400	900	900	5,700	17,100	22,800
1948	3,300	700	900	800	5,700	8,100	13,800
1949 <u>1/</u>	3,300	<u>2/</u> 400	1,000	<u>2/</u> 1,100	<u>2/</u> 5,800	<u>2/</u> 14,300	<u>2/</u> 20,100
1950 <u>1/</u>	3,300	300	900	1,000	5,500	<u>3/</u> (5,000)	10,500

1/ Preliminary.

2/ Revised.

3/ Trade estimate, not official.

OFAR, USDA. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign service officers, results of office research or other information.

UNITED STATES: Exports of peaches, dried, to specified countries,
1949-50 with comparisons 1/

Country of destination	Average		Annual						
	1940/41- 1949/50	1945/46- 1949/50	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51 <u>2/</u>	
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Belgium	98	46	75	56	66	30	1	0	
France	25	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	0	1	0	
Germany	231	461	<u>3/</u>	0	<u>3/</u>	2,303	3	0	
Italy	125	159	530	0	20	96	150	0	
Netherlands	34	68	<u>3/</u>	2	4	30	302	<u>3/</u>	
Sweden	108	155	<u>3/</u>	598	0	0	176	52	
Switzerland	2	3	0	0	0	2	15	<u>3/</u>	
United Kingdom	3,126	1,864	<u>3/</u>	9,276	44	0	0	0	
Other Europe	28	35	130	22	24	1	0	1	
Total Europe	3,777	2,791	735	9,954	158	2,462	648	53	
Canada	254	327	32	1,496	79	16	14	81	
Other countries	901	796	1,329	1,227	1,185	139	94	15	
Grand total	4,932	3,914	2,096	12,677	1,422	2,617	756	149	

1/ Crop year basis, July-June.

2/ Two months, July-August 1950.

3/ Less than $\frac{1}{2}$ ton.

Compiled from official records of the Bureau of the Census.

In Chile, most of the dried peaches are produced in the north central part of the country, in the Elqui and Choapa valleys. There is also a small production in the Vallenar region and Aconcagua valley. It is reported that because of the insect pests and diseases in the Elqui valley growers are gradually removing peach trees and replacing them with apricot and other types of fruit trees. Peaches are dried with the stones in and with stones removed. This year the fresh peach crop was short and fresh prices, high, so fewer peaches were dried. It is estimated that only 231 tons were produced, with stones removed. The balance of this year's dried peach production was made from small peaches, with stones not removed, called huesillos. The Chilean production of dried peaches is usually consumed in the domestic market, with only minor exports being made. So far this season only 11 short tons have been exported, almost all of them to Peru. Last season about 55 tons were exported, of which 29 tons were sold to Uruguay, 22 tons to Peru, and 3 tons to Venezuela. The balance were to various other countries in very small parcels.

In the Union of South Africa the production of dried peaches was down slightly from that of the previous year. The good market for fresh fruit and fruit at the canneries, as well as the shortage of labor and high production costs for the dried product, are the principal reasons for the slightly smaller pack. Last season 439 tons of dried peaches were exported; however, no exports have been reported so far during 1950. There should be no difficulty in disposing of the 1950 pack in the domestic market as no dried tree fruits may be imported and the country is compelled to use its own production, which is generally inadequate to meet the needs of the country.

The United States 1949-50 dried peach export season was rather discouraging in that only 756 tons were exported compared with the 10-year (1939-48) average of 5,114 tons and the 1948-49 season total of 2,617 tons. The Netherlands purchased 302 tons, the largest tonnage taken by any country. Sweden was the second best outlet with 176 tons, and Italy the third with 150 tons. All other European countries purchased only 20 tons, Canada 14 tons, and all other non-European countries were the destination for only 94 tons. This season, with a very small pack, exports for the first 2 months have totaled only 149 tons, of which Sweden purchased 52 tons, Denmark 1 ton, Canada 81 tons, and all other non-European countries 15 tons. The prospects for this season's exports do not appear too bright.--By Walter R. Schreiber, based in part upon U.S. Foreign Service reports.

WORLD 1950 DRIED APRICOT OUTPUT DOWN SLIGHTLY 1/

The 1950 preliminary estimate of dried apricot production in the United States, Iran, Australia, and other leading commercial producing countries is 21,900 short tons compared with 23,300 tons (revised) in 1949 and 20,700 tons in 1948. The present estimate is 30 percent below the 10-year (1939-48) average of 31,300 tons and 24 percent below the 5-year (1944-48) average of 28,800 tons. Modest increases in production over that of last season are reported in Iran, Argentina, Chile, Spain and Syria, while that in Australia and the United States is smaller than a year ago.

Fresh apricot crops in the foreign countries generally were somewhat better than last season. Growing conditions were satisfactory in most countries although Spain reports hail and insect damage. The strong demand for fresh fruit in the Mediterranean Basin countries for domestic, as well as export, sales, greatly reduced the tonnage available for drying. The pulp industry also made heavy demands on the fresh supply.

The disposal of the 1949 pack in the foreign countries was relatively satisfactory with a carry-over reported only from Iran. The Iranian carry-over was insignificant. Export statistics from the foreign countries are for the most part not available, however, based on trade estimates, it appears about 6,500 tons were moved into international trade channels during 1949-50, of which Iran supplied 5,647 tons. The United States exports during the season totaled 2,094 tons compared with 3,431 tons a year earlier. Belgium was the principal destination for United States exports, with 884 tons, followed by Switzerland with 394 tons, and the Netherlands with 307 tons.

The 1950-51 export season, although only 2 months old, has been very brisk in the minor producing countries. It is just getting under way in Iran. It is now estimated that the exportable surplus in all countries except the United States and Iran will have been disposed of before the end of 1950. Prices in the foreign producing countries have been modestly higher this season. The lack of dollar exchange in some European countries has driven their buyers into new markets where dollars are not required.--By Walter R. Schreiber, based in part upon U.S. Foreign Service reports.

(Tables on following pages)

1/ A more extensive statement will soon be available as a Foreign Agriculture Circular from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

APRICOTS DRIED: Estimated commercial production in specified countries, 1950 with comparisons

(Rounded to nearest 100 short tons)

Year	Argentina and Chile	Australia	Iran	Spain	South Africa	Syria	Foreign total	United States	World total
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
<u>Average</u>									
1939-48	300	1,600	7,100	3,300	600	700	13,600	17,700	31,300
1944-48	500	1,400	5,900	4,000	500	700	13,000	15,800	28,800
<u>Annual</u>									
1944	400	2,100	9,300	9,600	900	800	23,100	25,600	48,700
1945	700	900	3,900	2,600	700	600	9,400	7,800	17,200
1946	300	1,500	8,200	2,200	100	600	12,900	<u>1/</u> 18,000	<u>1/</u> 30,900
1947	600	1,400	4,400	3,900	300	500	11,100	15,200	26,300
1948	500	1,100	3,800	1,500	400	1,000	8,300	12,400	20,700
1949 <u>2/</u>	300	<u>1/</u> 1,200	6,400	400	300	500	<u>1/</u> 9,100	<u>1/</u> 14,200	<u>1/</u> 23,300
1950 <u>2/</u>	400	1,100	6,900	600	300	600	9,900	<u>3/</u> (12,000)	21,900

1/ Revised.

2/ Preliminary.

3/ Trade estimate--not official.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information.

UNITED STATES: Exports of dried apricots

(Crop year, August-July)

Countries	Average		Annual			
	1940/41- 1949/50	1945/46- 1949/50	1947-48	1948-49	1949-50	1950-51 <u>1/</u>
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Belgium	448	744	844	1,082	884	89
Denmark	7	14	2	17	49	2
France	37	26	23	40	65	0
Germany	121	177	0	833	51	0
Italy	68	74	7	19	30	0
Netherlands	67	134	122	166	307	11
Norway	33	65	20	5	30	5
Sweden	60	55	<u>2/</u>	0	0	0
Switzerland	51	101	0	112	394	6
United Kingdom	1,700	7	<u>2/</u>	1	1	0
U.S.S.R.	38	39	0	0	0	0
Canada	442	335	199	147	54	147
Mexico	15	20	15	7	4	<u>2/</u>
Newfoundland and Labrador	102	107	153	181	0	0
Brazil	56	83	137	4	115	0
Netherlands East Indies	45	81	212	98	33	0
Other	731	366	669	135	77	10
Total	4,021	2,428	2,403	2,847	2,094	270

1/ 2 months, July-August.2/ Less than $\frac{1}{2}$ ton.

Compiled from official records of the Bureau of the Census.

WORLD DRIED PEAR PRODUCTION DECLINES

The 1950 preliminary estimate of dried pear production in the 4 leading commercial producing countries, the United States, Argentina, Australia, and the Union of South Africa is 2,500 short tons compared with 3,200 tons in 1949 and 2,700 tons in 1948. The estimate is 59 percent below both the 10-year (1939-48) and the 5-year (1944-48) average of 6,100 tons. The estimate is the smallest in 27 years.

The production in Argentina is about 3 times that of the previous season; in the Union of South Africa it is the same, while production in all other countries is down. The United States production according to Trade estimates is only 1,500 tons, compared with 2,300 tons in 1949 and the 10-year (1939-48) average of 4,000 tons. The Argentine output of dried pears might have been somewhat larger this season were it not for the fact that about half the fresh pear crop in the important Rio Negro Valley was lost because of frost damage. The demand for fresh pears in Argentina was heavy this season. It is reported growers are removing pear trees and replacing them with apple trees which, they say, bring better returns. The fresh pear crop in South Australia and Victoria were also below normal, which left very little fruit for drying. The dried pear production in Chile this year is estimated at 20 tons compared with 17 tons last year. The entire production is sold within the country.

The production of dried pears in the Southern Hemisphere countries is primarily for use in the domestic market, although small parcels are occasionally exported. It is reported that dried pears are not very popular in the Argentine domestic market and this probably accounts, in part, for the decline in output since 1948. There were only 3 tons exported from Argentina so far this season. The Australian exports also were only 3 tons so far this season. The balance of the Australian 1950 output is expected to be sold in the local markets.

United States exports of dried pears during the 1949-50 season totaled 892 tons, compared with only 379 tons in the preceding season. Although the 1949-50 exports were more than twice those of the previous season they were only 26 percent of the 10-year (1929-38) average of 3,384 tons. The exports to European destinations totaled 737 tons, compared with the 3,167 tons average in the 10 prewar years. The Netherlands was the principal destination for dried pear exports with 288 tons, followed by France with 219 tons, and Sweden with 177 tons. The exports to Switzerland were 24 tons compared with 13 tons a year earlier. Germany, Norway, Denmark, and Belgium were very minor outlets for United States dried pears during the season. The United Kingdom has not been a market for United States dried pears in the past 3 seasons. The continued lack of dollar exchange and other disrupting influences to normal free trade in dried fruits continued to plague United States exports during the season. The continued unsettled political and economic situation in

PEARS, DRIED: Estimated commercial production in specified countries, 1950 with comparisons

(Rounded to nearest 100 short tons)

Year	Argentina	Australia	Union of South Africa	Foreign total	United States <u>2/</u>	Total <u>2/</u>
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
<u>Average</u>						
1939-48	1,100	300	700	2,100	4,000	6,100
1944-48	1,500	400	600	2,500	3,600	6,100
<u>Annual</u>						
1944	1,000	500	500	2,000	4,000	6,000
1945	900	400	1,000	2,300	5,400	7,700
1946	2,700	300	300	3,300	4,600	7,900
1947	1,900	400	600	2,900	2,800	5,700
1948	1,000	200	500	1,700	1,000	2,700
1949 <u>1/</u>	200	<u>2/</u> 400	<u>2/</u> 300	<u>2/</u> 900	2,300	3,200
1950 <u>1/</u>	600	100	300	1,000	<u>3/</u> (1,500)	2,500

1/ Preliminary.

2/ Revised.

3/ Trade estimate--not official.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information.

UNITED STATES: Exports of dried pears

(Crop year, September-August)

Countries	Average		Annual				
	1940/41-	1945/46-	1946-47	1947-48	1948-49	1949-50	
	1949/50	1949/50					
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Austria	2	3	0	0	0		16
Belgium	36	19	43	1	37		1
France	26	52	0	43	0		219
Italy	61	24	0	21	9		9
Netherlands	35	69	45	12	0		288
Sweden	53	36	2	0	0		177
Switzerland	27	38	25	26	13		24
United Kingdom	464	13	65	0	0		0
Canada	58	71	242	5	3		19
Others	452	246	204	283	317		139
Total	1,214	571	626	391	379		892

Compiled from official records of the Bureau of the Census.

Europe gives little hope of any material increase in United States dried pear exports this season. The small United States production would prevent anything like a normal prewar export taking place even if a demand should suddenly take place.--By Walter R. Schreiber, based in part upon U.S. Foreign Service reports.

WORLD 1950 DRIED APPLE PACK SMALLEST IN YEARS 1/

The 1950 preliminary estimate of dried apple production in the 5 leading commercial producing countries is 10,700 short tons compared with 14,300 tons (revised) in 1949 and 10,800 tons in 1948. The estimate is less than half the 1939-48 average production, and would be the smallest pack in at least 25 years. Production in Canada is up slightly over last year while that in Australia will be less than half of last year and the smallest pack since 1931. The United States production this year according to Trade estimates will be only about half the average and one of the smallest in many years.

In Australia, New Zealand and the Union of South Africa this year's small pack appears insufficient to take care of full domestic requirements. The only exportable surpluses remaining at this time are in Canada and the United States. The production in each of these countries could still be increased if a market became available. Exports reported so far this season show 75 tons were exported from Australia and during the first month of the season 204 tons were exported from the United States.--By Walter R. Schreiber, based in part upon U.S. Foreign Service reports.

(Tables on following pages)

TRENDS IN UNITED STATES FOREIGN TRADE

August 1950 was the first month in more than a decade in which the value of total United States imports exceeded that of total United States exports.

In August 1949 the United States had an export balance of \$363 million. In July 1950 the export balance had shrunk to \$58 million. In August 1950, it turned into an import balance of \$68.5 million.

In general, the change has been a continuation of trends in existence for a considerable period, but these trends have been accentuated by the impact of devaluation, the Korean crisis, and rearmament.

(Continued on Page 429)

1/ A more extensive statement will soon be available as a Foreign Agriculture Circular from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

APPLES, DRIED: Estimated commercial production in specified countries,
1950 with comparisons

(Rounded to nearest 100 short tons)

Year	Australia	Canada	New Zealand	Union of South Africa	Foreign total	United States	World total
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
<u>Average</u>							
1939-48	1,500	4,000	<u>1/</u>	200	<u>2/</u> 5,700	16,500	22,200
1944-48	1,900	2,800	200	100	5,000	14,500	19,500
<u>Annual</u>							
1944	2,300	6,700	200	200	9,400	17,000	26,400
1945	2,000	800	200	100	3,100	14,500	17,600
1946	2,000	2,200	200	100	4,500	<u>3/</u> 18,300	<u>3/</u> 22,800
1947	1,500	3,300	300	100	5,200	15,000	20,200
1948	1,800	1,000	200	100	3,100	7,700	10,800
1949 <u>4/</u>	<u>3/</u> 700	<u>3/</u> 1,800	200	100	<u>3/</u> 2,800	<u>3/</u> 11,500	<u>3/</u> 14,300
1950 <u>4/</u>	300	2,200	100	100	2,700	<u>5/</u> (8,000)	10,700

1/ No production prior to 1944.

2/ Excluding New Zealand.

3/ Revised.

4/ Preliminary.

5/ Trade estimate--not official.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information.

UNITED STATES: Exports of dried apples

(Crop year, August-July)

Country	Average		Annual				
	1940/41- 1949/50	1945/46- 1949/50	1947-48	1948-49	1949-50	1950-51	
							<u>1/</u>
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Denmark	-	-	-	-	8	0	
France	14	25	<u>2/</u>	0	0	0	
Germany	-	-	-	-	382	94	
Italy	-	-	-	10	1	0	
Netherlands	349	43	121	18	478	4	
Norway	57	60	16	7	43	1	
Sweden	396	284	0	0	226	91	
Switzerland	-	-	-	11	78	2	
United Kingdom	2,533	1,459	439	0	0	0	
Canada	79	139	352	3	3	0	
Other	961	706	475	453	308	12	
Total	3,734	2,716	1,403	502	1,527	204	

1/ 1 month, August.2/ Less than $\frac{1}{2}$ ton.

Compiled from official records of the Bureau of the Census.

TRENDS IN UNITED STATES FOREIGN TRADE---(Continued from Page 426)

The breakdown given below shows the position of agricultural trade in relation to non-agricultural trade:

Exports of United States agricultural products,	\$200.9 million	
Imports of agricultural products of a type produced in this country in substantial quantity (supplementary imports).....	185.3	"
Excess of agricultural exports over supple- mentary imports.....	15.6	"
Imports of agricultural products not produced in the United States (complementary imports),	224.9	"
Excess of total agricultural imports over exports.....	209.3	"
Net exports of non-agricultural products.....	140.8	"
Import balance of total United States trade,...	68.5	"

Exports

Total United States exports dropped from \$876 million in August 1949 to \$750 million in August 1950, a drop of \$126 million, or nearly 15 percent

Agricultural exports in August 1950 (\$201 million), though moderately above July 1950 (due mainly to larger tobacco and cotton exports), were \$44 million below August 1949. Wheat exports were down by \$60 million. Those of tobacco, fats and oils, and dairy products also declined. These declines were partly offset by a \$38-million increase in cotton exports and some minor increases in the exports of a few other products.

Nonagricultural exports in August 1950 were \$83 million below August 1949.

Imports

Total United States imports in August 1950 (\$818 million) exceeded those of August 1949 by \$305 million. Not less than \$113 million of this increase occurred between July and August 1950.

Agricultural imports increased in quantity and considerably more in value.

Supplementary imports (imports of agricultural products of a kind also produced domestically in substantial quantity such as sugar, apparel wool, oil and oilseeds, hides and skins) amounted to \$185 million, about 50 percent above August 1949.

Complementary imports (imports of agricultural products of a kind not produced in the United States such as coffee, rubber, carpet wool, cocoa, tea and spices) amounted to \$225 million in August 1950, or more than double their value in August 1949 (\$103 million). Coffee was the major item, with an increase from \$55 to \$131 million. Rubber increased from \$17 to \$40 million, and carpet wool from \$3.4 to \$14 million. These 3 items together accounted for more than 90 percent of the increase in the value of complementary imports.

Imports of nonagricultural products increased from \$288 million in August 1949 to \$408 million in August 1950, an increase of more than 40 percent.--By Oscar Zaglits.

COMMODITY DEVELOPMENTS

FATS AND OILS

CANADIAN SUPREME COURT MARGARINE DECISION UPHELD BY PRIVY COUNCIL

The Privy Council in London, England, has upheld the margarine decision rendered almost 2 years ago by the Canadian Supreme Court; according to a report from Francis A. Flood, Agricultural Attache, American Embassy, Ottawa.

The Canadian Supreme Court, in December 1948, had declared that the legislation that had banned the manufacture and sale of margarine in Canada for many years was beyond the authority of Parliament and was, therefore, invalid. The legislation referred to was the Dairy Industry Act of 1927, which forbade the manufacture, importation or sale of margarine "or any other substitute for butter manufactured wholly or in part from any fat other than that of milk or cream."

Canadian dairy interests, aroused by the Supreme Court's decision, encouraged the Canadian Federation of Agriculture, on behalf of the Dairy Farmers of Canada, to appeal the decision to the Privy Council in London. The appeal pointed out that the Court's decision was split 5 to 2 and that the majority judges did not agree among themselves.

The Privy Council found that the margarine ban related to civil rights within each Province and that there was nothing to indicate that the normal distribution of Provincial-Dominion powers should be overridden.

This action by the Privy Council now confirms that the responsibility for regulating the sale and manufacture of margarine in Canada rests with the various Provinces themselves, rather than the Dominion Government.

This is the basis on which margarine has been manufactured and sold in Canada since the Court's decision in December 1948. Of the 10 Provinces, all except Quebec and Prince Edward Island, have permitted its manufacture and sale. These 2 Provinces account for about 30 percent of Canada's total population. Of the 3 Provinces where margarine is permitted, all have strict regulations covering such matters as coloring, labeling, content, and licensing.

The following table shows the production of margarine, by months, since it first became legal in January 1949. If the early months of 1949 are not considered, it may be noted that production in 1950 is about the same as in 1949, and this may indicate the level to be expected in the future.

CANADA: Margarine production by months, 1949 and 1950
(1,000 pounds)

Month	1949	1950
January	1,030	7,998
February	3,354	8,712
March	7,349	11,003
April	7,326	7,190
May	7,200	8,019
June	6,972	6,115
July	5,525	5,892
August	7,287	6,710
September	7,035	7,962
October	6,779	-
November	7,199	-
December	6,902	-
Total 9 months	53,078	69,601
Total 12 months	73,958	-

Source: Dominion Bureau of Statistics, Margarine Statistics, September 1950.

Meantime, butter consumption has decreased somewhat in Canada. Per capita butter consumption averaged 28.6 pounds for the 5 years prior to 1949. In 1949 it was about 23.4 pounds and was at the rate of about 24-25 pounds for the first 9 months of 1950.

CHILEAN OILSEED PLANTINGS EXPECTED TO DECREASE

Chile's total oilseed plantings for the 1950-51 season are expected to be smaller than last year, according to P. M. Davenport and R. Guzman, American Embassy, Santiago. Sunflower seed is expected to be down from 123,000 to 104,000 acres.

Rainy weather during September in central and south central Chile has delayed preparation of fields and seeding operations, and farmers may decide to plant alternative crops more suited to late seeding. Moreover, in order to continue proper rotation practices, other crops must be substituted for much of the area sown to sunflower in 1949. Finally, although contract prices for sunflower are higher than they were last year, corn, beans, and barley are likely to be even more profitable, and a considerable shift to these crops may be expected. Hemp is likely to decrease from 7,800 to 7,400 acres. Flax acreage, however, may increase from 12,900 to 24,500 acres.

Final official estimates for 1949-50 production indicate a record sunflower seed output of 76,500 tons. However, flaxseed production at 151,000 bushels and hempseed at 3,300 tons represent sharp reductions from the previous year.

Output of edible vegetable oils and fats during the 1950-51 crushing year probably will exceed 28,700 tons (including 8,800 tons obtained from refining imported oil) compared with 23,860 tons in 1949-50. Olive oil (about 600 tons per year) is not included in these totals. On the basis of 151,000 bushels of flaxseed from the 1949-50 crop, Chilean production of linseed oil should be approximately 1,500 tons.

With short supplies of lard and butter, the demand for vegetable oils has been strong; and consumption for the crushing year 1950-51, estimated at 30,000 tons, is expected to be 10 percent higher than in 1949-50.

The only significant oilseed imports during the first 6 months of 1950 were 127 tons of castor beans from Brazil and 52 tons of peanuts from Brazil and Peru. Edible vegetable oil imports during the same period, principally sunflower oil from Argentina, amounted to 226 tons. The original foreign exchange budget for 1950 provided U.S. \$1.2 million for the importation of oilseeds and vegetable oils, and this sum has been increased recently by \$1.2 million. The total of \$3 million will permit the importation of close to 13,000 tons of such commodities in comparison with 14,300 tons imported in 1949, but probably only 8,800 tons will be required for the year. Six thousand tons have been ordered recently--3,300 tons of sunflower oil from Argentina and 1,100 tons of cottonseed oil from the United States.

The Government set the price of sunflower seed for the 1949-50 crop at 550 pesos per 100 kilograms (\$83 per short ton) placed at railroad stations. This was equivalent to an average of 620 pesos (\$94 f.o.b. factory. No action has been taken this year to establish the price of sunflower seed, and crushers feel that no control is contemplated. In any event, they have increased the contract prices for the 1950-51 crop to a range of 700 to 750 pesos per 100 kilograms (\$106 to \$114 per short ton) delivered at the factory. The wholesale ceiling price on edible oil, however, remains as formerly at 36.20 pesos per kilogram (27 cents per pound).

Flaxseed and hempseed are quoted, respectively, at 1,200 and 755 pesos per 100 kilograms (\$5 per bushel and \$11.4 per ton) placed in Valparaiso. The hempseed price is virtually the same as it was a year ago, but the flaxseed price is almost 60 percent higher.

PERU'S VEGETABLE OIL PRODUCTION REMAINS STABLE

Little change has occurred in the vegetable oil production in Peru during the past 4 years according to Roy O. Westley, Agricultural Attache, Lima.

Vegetable oilseed production is limited to the yield of cottonseed and to comparatively small areas of sunflowers and peanuts. The production of palm oil has not reached commercial proportions. The 1950 Tanguis cotton crop is good, but the harvest of Pima cotton is greatly reduced this year on account of the shortage of irrigation water in the northern coastal valleys.

Total production of vegetable oils in 1950 is estimated at 17,650 short tons, as compared with 17,460 in 1949 and 16,650 in 1948 and an average of 17,400 tons for the 3-year period 1947-1949. Of the 1950 total, cottonseed oil is placed at 17,350 tons and sunflower oil will amount to about 300 tons. The small quantities of peanut oil produced are not calculated in the commercial output even though a part of it is used in mixed cooking oil and certain brands of vegetable lard.

Imports of vegetable oils are restricted and largely confined to those required for canning fish and for the manufacture of vegetable lard.

DOMINICAN REPUBLIC DUTY ON FISH OIL RAISED SHARPLY

The Dominican Republic, in the latest of a series of changes in import duties on certain fats and oils, has raised sharply the duty on fish oil from about 3 cents to nearly 14 cents per pound. This change, according to Harry R. Zerbel, Agricultural Attache, American Embassy, Ciudad Trujillo, was sanctioned by Dominican Law No. 2511 of September 16, 1950, published in the Gaceta Oficial of September 20, 1950.

The duty on lard, on the other hand, had been reduced from about 23 cents to 14 cents per pound just 3 weeks earlier. This was done by the issuance on August 26, 1950, of Decree No. 6767 (published in El Caribe on August 27) by the President of the Dominican Republic. The purpose of this action was to invite imports to replenish diminished market supplies caused by the hoarding of fats since the Korean war began. Excessive buying had caused lard and peanut oil prices to soar to as high as \$1.00 per pound in August despite the imposition earlier in the month of wholesale and retail ceilings on the price of domestically-produced peanut oil. Ceilings had been established by Order No. 3-50 by the National Food Committee on August 2, 1950, which provided for domestically produced peanut oil a maximum wholesale price of \$13.50 per 30-pound can (\$13.70 outside Ciudad Trujillo) and a maximum retail price of \$0.62 per bottle containing about 1-1/4 pounds of oil (\$0.64 outside Ciudad Trujillo).

But the ceiling prices provided by the Order had failed to withstand the upward pressure, and many consumers found it increasingly difficult to purchase edible fats at no more than maximum prices. As a result of the President's Decree, the Department of National Economy issued on August 29 licenses for the importation of 555 short tons of lard in 37-pound cans. A resolution of the National Food Committee dated September 18, 1950, states that importers must wholesale the lard at 14.70 pesos (\$14.70) per can and retailers, in turn, must sell it at \$0.46 per pound in Ciudad Trujillo and \$0.48 in all other areas.

These various actions reflect the changes in the Dominican Republic's supply and price situation since last May. At that time the supply picture was so favorable that in order to reduce the importation of edible fats and oils and encourage the consumption of domestically-produced peanut oil, the duty on various items was tripled by the promulgation on May 20 of Law No. 2386 (see Foreign Crops and Markets for June 19, 1950, page 621). This applied mainly to lard, tallow, and certain vegetable oils. And now with the recent sharp increase in duty on fish oil it would appear that supplies of this item, at least, again are ample.

TOBACCO

BRAZIL'S TOBACCO PRODUCTION AND EXPORTS INCREASED

Brazil's 1950-51 tobacco crop is unofficially forecast at approximately 215 million pounds which is 9 percent above the 1949-50 production. Tobacco exports during 1949 were 14 percent above 1948.

The country's 1950-51 tobacco crop is unofficially forecast at 215 million pounds from approximately 286,000 acres. This compares with the unofficial revised estimate of 197.7 million pounds from 280,000 acres in 1949-50 and 138.1 million pounds from 292,000 acres during the 1948-49 crop year. The 1950-51 unofficial forecast is made on the basis of normal growing conditions and therefore may be revised downward if weather conditions are not favorable during the growing season.

Preliminary forecasts for flue-cured leaf in 1950-51 indicate a 15 percent increase over 1949-50 plantings in Rio Grande do Sul. The forecast for this year's plantings in Santa Catarina is 5 percent above last year's unofficial revised estimate. Both states are expected to produce 10 percent more air-cured tobacco in 1950-51 than in the 1949-50 season if the weather remains favorable. The unofficial tobacco acreage forecasts for Bahia, Minas Gerais and all other Brazilian states are about the same as in 1949-50.

Brazilian leaf and twist exports totaled 62.3 million pounds in 1949 as compared to 54.7 million pounds in 1948. The unofficial forecast for 1950 indicates that exports will be higher than during the preceding year. Tobacco exports were reportedly over 26 million pounds during the first 5 months of 1950. In 1949 leaf accounted for 95 percent of all tobacco exports. The countries of Western Europe took

69 percent of Brazil's 1949 tobacco exports. Argentina took 19 percent and Uruguay about 8 percent. The remaining 6 percent went to numerous other countries. The increase in tobacco exports forecast for Brazil in 1950 is attributed to increased barter agreements with a number of tobacco-importing countries.

THAILAND'S FLUE-CURED TOBACCO PRODUCTION INCREASED

Thailand's 1949-50 flue-cured tobacco production is estimated at about 4 percent above 1948-49 and 21 percent above 1947-48, according to the American Embassy, Bangkok.

This year's crop was the largest ever produced in Thailand and is estimated at 8.8 million pounds as compared with approximately 8.5 million pounds in 1948-49 and 7.3 million pounds in 1947-48. Commercial production of flue-cured tobacco started in 1933-34, when about 9,000 pounds of leaf was produced. Production exceeded 1 million pounds for the first time in 1936-37.

The area planted to flue-cured tobacco totaled 28,800 acres in 1949-50, as compared with 28,866 acres in 1948-49 and 28,194 acres in 1947-48. The 1949-50 yield per acre of about 305 pounds is approximately 3 percent above the 1948-49 average of 295 pounds and 19 percent above the 1947-48 yield of 257 pounds per acre. The country's yield is still extremely low when compared with the yield of most other flue-cured producing countries.

The acreage to be planted to flue-cured tobacco in 1950-51 is preliminarily estimated at 29,000 acres or slightly higher than in 1949-50.

GREECE'S TOBACCO PRODUCTION NEAR PREWAR LEVEL, EXPORTS DECLINE

Greece's 1950 tobacco production is preliminarily estimated at only 9 percent below the prewar (1935-39) average and 6 percent above the 1949 harvest according to David M. Maynard, Conselor of Economic Affairs, American Embassy, Athens. Leaf exports during the first 6 months of 1950 were about 23 percent less than the comparable period in 1949.

The 1950 tobacco crop is preliminarily estimated by the Hellenic Tobacco Board at 122.3 million pounds from 251,795 acres, as compared to 114.8 million pounds from 199,108 acres in 1949 and a prewar average of 132.8 million pounds from 226,000 acres. The 1950 yield is estimated at 486 pounds per acre or about 16 percent below the 1949 average of 576 pounds and 17 percent below the prewar average of 589 pounds.

Leaf exports totaled 32.2 million pounds during the first half of 1950 as compared to 44.1 million pounds during the same period in 1949. Of Greece's total leaf exports during January-June 1950, about 10.5 million pounds or 32 percent went to Germany, 6.7 million pounds or

22 percent to France, and 3.9 million pounds or 12 percent to the United States. In addition, about 6 percent went to Finland, 5 percent to Austria, 3 percent to the United Kingdom and 2 percent to Sweden. Numerous other countries took the remaining 11 percent of Greece's leaf exports during the first half of 1950.

TROPICAL PRODUCTS

ANOTHER LARGE CACAO CROP FORECAST FOR DOMINICAN REPUBLIC

The Dominican Republic's 1950-51 cacao crop is expected to total about 67 million pounds, according to H. R. Zerbel, American Embassy, Ciudad Trujillo. This compares with a revised estimate of 73 million pounds for 1949-50, 53 million pounds for 1948-49, and an annual prewar (1935-36 to 1939-40) average of 54 million pounds. Picking of the intermediate (October to February) 1950-51 crop has begun and a normal harvest of about 18 million pounds is indicated. The main 1950-51 crop (to be harvested from March to July 1951) is expected to amount to about 49 million pounds.

Exports of cacao beans and of unsweetened chocolate in terms of cacao beans during the first 11 months of the crop year beginning October 1, 1949 totaled about 70 million pounds compared with only 50 million pounds during the entire 1948-49 crop year. The heavy export movement practically exhausted all old-crop warehouse stocks of cacao beans and of unsweetened chocolate. Exports of cacao beans during the first 11 months of the 1949-50 crop year totaled about 54.7 million pounds, with most of this amount going to the United States. Exports of unsweetened chocolate during this period amounted to about 12.2 million pounds. Most of these shipments were to a New York importer, but some exports also went to New Orleans, Puerto Rico, and Belgium.

At the end of July 1950, the Dominican Government took over the management of the Chocolatera Sanchez factory, and the Under-Secretary of State for National Economy was appointed manager. As an economy measure, the cacao bean receiving stations in the Cibao were closed, and beans were purchased subsequently from private dealers. As part of the program to improve the quality of its products and to expand its export markets, Chocolatera officials have discussed with various foreign chocolate companies arrangements for securing the necessary technical assistance and for marketing the chocolate liquor at better prices. No new agreement has been announced as yet.

RECORD COFFEE OUTPUT FORECAST FOR BRITISH EAST AFRICA

A record crop of 940,000 bags of coffee for export in 1950-51 has been forecast for British East Africa, according to R. M. Schneider, of the American Consulate General in Nairobi. This compares with a revised estimate of 765,000 bags in 1949-50, 880,000 bags in 1948-49, and an

annual prewar (1935-36 to 1939-40) average of 775,000 bags. Of the total, Kenya is expected to produce 140,000 bags, Tanganyika 245,000 bags, and Uganda 555,000 bags. About a third of the 1950-51 harvest will consist of Arabica and the balance will be Robusta.

COFFEE: British East African exportable production, forecast for 1950-51 with comparisons 1/

Countries	: Average : 1935-36 to: 1939-40	: 1948-49 :	: 1949-50 <u>2/</u> :	: Forecast 1950-51 <u>2/</u> :
	: <u>1,000 bags:</u>	: <u>1,000 bags</u> :	: <u>1,000 bags</u> :	: <u>1,000 bags</u>
Kenya.....	295	105	100	140
Tanganyika:	260	250	230	245
Uganda.....	220	525	435	555
Total.....	775	880	765	940

1/ In bags of 132.3 pounds each. 2/ Preliminary.

U.S. Foreign Service Reports.

British East African coffee exports during 1949-50 (July 1 to June 30) amounted to 817,000 bags, with approximately 26 percent consigned to the United Kingdom. The United States was the destination for about 15 percent or 125,000 bags. Only about 11,000 bags of this amount were shipped to the United States during the first half of this period. Monthly coffee exports from British East Africa to the United States increased steadily from February to June 1950, reaching a peak of approximately 30,000 bags in June.

GRAINS, GRAIN PRODUCTS AND FEEDS

BURMA EXPORTS LESS RICE IN SEPTEMBER

Rice exports from Burma during September totaled 221 million pounds in terms of milled rice, a decline of 40 million pounds from the preceding month. Shipments during the January-September period approximated 2,085 million pounds compared with 2,278 million in the corresponding months of 1949. Monthly exports from January through August were (million pounds): January, 34; February, 83; March, 220; April, 247; May, 370; June, 356; July, 291; and August, 262.

October deliveries are forecast at around 100 million pounds, and exports in 1950 are expected to exceed 2,250 million pounds in terms of milled. In 1949, about 2,630 million pounds were exported.

CUBA INCREASES PURCHASES OF BROKEN RICE

Cuban importers reportedly purchased 15.2 million pounds of rice during the week October 13 to 19, of which 13.5 million were of 30 percent or more broken or second heads. All purchases were of United States rice. Importers at present apparently prefer a greater percentage of broken because its low price makes importation feasible during the high-duty, ex-quota period.

Arrivals reported during the same week totaled 33 million pounds, all in the ex-quota period, bringing ex-quota arrivals to 51 million pounds and the calendar year total to about 533 million pounds in terms of milled rice. The 1950-51 (July-June) basic quota of 330 million pounds was filled on October 1.

EGYPT REGULATES WHEAT AND BARLEY SEEDING

Owners of agricultural land in Egypt must plant a specified minimum of wheat and barley during the 1950-51 season, according to a decree published September 14. Under the terms of the decree, at least 50 percent of the total land holding is to be seeded to these 2 grains in areas other than the northern zone of lower Egypt, where the requirement for seeding is 35 percent. Of the total requirement, at least 45 percent in Upper Egypt, 40 percent in the southern zone and 20 percent of the northern zone of Lower Egypt must be in wheat.

Acreage of both wheat and barley has declined considerably from the 1940-44 average, but with the greater percentage decline in barley. Wheat acreage fell from 1.7 million acres during the average period to 1.4 million acres in 1950, a decline of 16 percent. During the same period the barley acreage was reduced from 331,000 to 130,000 acres, a 60 percent reduction.

INDIA REVISES 1950 WHEAT CROP ESTIMATE

The final official estimate of the 1950 wheat harvest in the Indian Union places that crop at 228 million bushels, compared with earlier estimates of about 216 million bushels. The current estimate is about 12 percent above the small crops of the past 2 years, but is still somewhat below the production of the 10 years ended 1944, when an average of 258 million bushels was reported.

That decline was due to reduced acreage and smaller yields per acre. The 1950 acreage, reported at 23.6 million acres, was well above the small acreage of the previous year, but 5 percent less than the 10-year average. The increase over the 1949 acreage was attributed to favorable weather conditions at seeding time in most areas and to the Grow-More-Food effort. Yields averaged 9.6 bushels per acre, compared with 10.4 bushels during the 1935-44 period.

CANADA'S FREIGHT ASSISTED WHEAT SHIPMENTS

Wheat shipments from Canada's Prairie Provinces to eastern Canada and British Columbia, under the Canadian Government's Freight Assistance Plan, were slightly smaller in 1949-50 than in the preceding season, according to preliminary data. The total moving under the plan for the season ended July 31 is tentatively placed at 9.4 million bushels, compared with 10.5 million in 1948-49.

The largest quantities were, as usual, shipped to Quebec and Ontario, with shipments to British Columbia the third largest. Shipments to those 3 Provinces accounted for over 90 percent of the total. Totals to Ontario and British Columbia were smaller than a year ago while the shipments to Quebec were slightly larger. Shipments of freight assisted millfeeds were also slightly less than in 1948-49.

FRUITS, VEGETABLES AND NUTS

BRITISH FOOD MINISTRY PURCHASES NOVA SCOTIAN APPLES

The British Ministry of Food has just concluded arrangements to purchase 200,000 boxes of apples in Nova Scotia, Canada, at an average price of \$1.80 per box, f.a.s. Nova Scotia ports. The fruit is to be of fancy grade and is to be delivered and shipped in time to reach England for the Christmas trade. This arrangement plus the 1,100,000 boxes already purchased in British Columbia makes a total of 1,300,000 boxes which Canada will export this season to the United Kingdom. In prewar years the United Kingdom took an average of about 6 million bushels annually from Canada.

LIVESTOCK AND ANIMAL PRODUCTS

ARGENTINA ESTABLISHES LIVESTOCK INSTITUTE 1/

The Argentine Congress, on September 23, 1950, enacted a bill establishing the Argentine Livestock Institute (Instituto Ganadero Argentino). This organization, which is called IGA locally, reports to the Minister of Economy and operates either as a public or private institution. Its purpose is to execute the Government's policies in promoting, regulating, and organizing the production, processing, marketing and consumption of livestock and livestock products.

The new Institute, according to the law, may intervene and control the livestock industry from the producer to the consumer, if such action is deemed desirable. This even includes regulations with respect to livestock production, including the establishment of commercial standards and setting levels at which prices will be fixed. The organization also

1/ Based on a report by C. A. Boonstra, American Embassy, Buenos Aires.

will have the responsibility for improving the operation of all livestock markets and packing plants, for licensing plants and determining domestic consumption and export quotas for such plants.

The former organizations, including the Frigorifico Nacional, the Liniers Livestock Market, and the Corporacion Argentina de Productores de Carnes (CAP), are merged into the new organization. Property and funds held by them will provide operating capital. The IGA has been authorized to fix the contribution by producers, which may range up to 3 percent of the value of all livestock marketed, in contrast to the 1.5 percent contribution made previously to the National Meat Board. The fund may be used to increase IGA's capital and to compensate or subsidize any livestock enterprises suffering losses under abnormal circumstances.

All personnel and activities of the National Meat Board are transferred to IGA, as well as all functions of the CAP. Organization of the IGA is to be completed within 180 days from September 28, 1950, the date the law was passed.

IRISH-U.K. BUTTER TRADE BECOMING UNPROFITABLE

The outlook for the market of Irish butter in the United Kingdom is increasingly pessimistic as larger supplies are made available from other countries at prices somewhat lower than the cost of producing Irish butter. Creameries in Ireland are working hard to divert milk from the manufacture of creamery butter to alternative products, particularly chocolate crumb for which there is a very good market in the United Kingdom. The production of home-churned butter for sale is officially discouraged and the government has proposed the establishment of cheese factories in certain areas removed from creameries where farmers can not dispose of milk surpluses except as farmer's butter.

Provisions for export of butter and cheese to Germany and for cheese to Austria have been negotiated.

COTTON AND OTHER FIBER

CANADIAN COTTON CONSUMPTION AT HIGH LEVEL 1/

Cotton consumption in Canada has been reported at 40,725 bales for September 1950 or an increase of 11,645 over August and substantially above the level of the same period of last year. Although the usual seasonal decline occurred during the summer months, this was not as great as in recent years. With the sharp recovery in September there is every indication of another year of high level operation which is now expected to exceed the postwar record of 421,000 bales in 1949-50.

1/ Based on reports of Philip C. Habib, Vice Consul, American Embassy, Ottawa, Canada.

Demand for cotton goods in Canada has been very high for the past year and despite the increased cotton textile imports Canadian producers had no trouble finding markets for their products. The earlier fears of cotton manufacturers over foreign competition have not materialized and in spite of the lifting of import restrictions on cotton piece goods October 1, 1950, Canadian producers are no longer worrying unduly about outside competition.

The rising price of raw cotton has aroused considerable concern in the cotton industry. There has been an increase of 5 to 8 percent in cotton textile prices in early August, and further price rises are expected. However, the industry feels the strong domestic demand plus expected defense orders will create an effective market for all they can produce even at higher prices. With uncertain raw material prices, mills have not wished to book orders too far in advance but on the basis of orders now on hand mills appear to be assured of a high level of operation, at least during the remainder of 1950.

There is some fear that high raw cotton prices may increase the use of synthetic fibers. Many of the mills are now experimenting with mixing cotton and rayon. Some mills believe that as much as 10 percent rayon can be mixed with cotton without making any marked difference in the finished product. The industry reports that rayon staples can be imported at a price 14 cents a pound less than cotton can be purchased.

Imports of cotton into Canada during August 1950 were reported at 34,000 bales, of which 20,000 bales were Mexican and 14,000 bales from the United States. Heavy purchases of Mexican cotton were reported earlier in the season but since the announcement of quotas on exports of United States cotton to countries other than Canada and the sharp advance in prices of the Mexican staple some Canadian importers are reported to be canceling out their contracts for later shipments of Mexican cotton and replacing with American.

COTTON PRODUCTION EXPANDING IN IRAN

The 1950-51 cotton crop in Iran, estimated at about 107,000 bales (of 500 pounds gross), is the largest since 1941 but little more than half of the record crop of 194,000 bales harvested in 1939-40. Cotton production was restricted during World War II to permit increased production of food commodities. It has not yet fully recovered to the prewar level but has increased steadily since 1946-47 when the crop amounted to only 64,000 bales.

The Cotton Extension and Improvement Company, an official agency, encourages cotton cultivation by extension of loans to growers at a rate of 1,500 rials per hectare (\$19.00 per acre). The Company also furnishes planting seed on credit terms at a price of 5 rials per kilogram (\$2.27 a bushel). Credit arrangements are covered by contracts under which the forthcoming cotton crop is to be purchased at prices stipulated at the time of the loan. These prices are usually higher than those on the open

market. Acceptance of the Company's facilities are optional, however, and involved only about 175,000 of the 320,000 acres planted in 1950. The Company expects to raise its total to about 250,000 acres in 1951 making an increase of 20 to 25 percent in total acreage planted.

The Company owns and operates 26 gins with a total capacity of 385 bales per 3-hour day. There are also numerous gins owned by individuals and private companies but most of them are obsolete and in poor condition, causing considerable damage to cotton in the process of ginning.

Cotton consumption in Iran in 1949-50 is estimated at 69,000 bales compared with 78,000 bales in 1948-49 and 87,000 the previous year. The decline is attributed to increasing economic difficulties and stronger competition from imported cotton goods. The government owns 2 spinning and weaving factories that account for about 20 percent of the cotton consumed in the country. A third factory is under construction.

Exports in 1949-50 totaled 29,000 bales, including 10,000 to Germany, 7,000 to the United Kingdom, and 3,000 to Belgium. The totals for 1948-49 and 1947-48 were 16,000 and 6,000 bales, respectively. The reported value of the 1949-50 cotton exports was 177,686,000 rials (\$5,553,000). End-season stocks have decreased steadily from 25,000 in 1947 to 13,000, to 10,000 and to 9,000 in the next 3 years. Imports are negligible, amounting to 574 bales in 1949-50, 570 of which were from the United States.

Prices in August 1950 averaged 37 rials per kilo (52.45 cents a pound) for Filestani, 31 rials (43.94 cents) for Amrikai, and 24 rials (34.02 cents) for Boumi, an Asiatic short-staple variety. Prices of Filestani and Amrikai are 3 and 6 cents, respectively, above those of a year ago.--By Charles H. Barber, based on a report by H. V. Geib, Agricultural Attache, American Embassy, Tehran.

U.K. RAW COTTON COMMISSION RAISES COTTON PRICES

On October 12, 1950, the Raw Cotton Commission revised its raw cotton prices to British mills, according to K. M. Greaves, American Consulate, Manchester, England. Prices of practically all growths and qualities of cotton were increased. This was the first revision since September 8, 1959. It is assumed in Manchester that the main reasons for the changes are the decision in the United States to restrict exports, and the continued price rises in other growths.

American-type cottons were advanced in the new price lists by 2.3 cents per pound. Some East African varieties were increased by 2.6 to 4 cents, and certain West African varieties by 2.6 cents per pound. Egyptian varieties were raised by amounts ranging from 5.5 cents to 11 cents per pound, the highest increase being in Zagora. It is notable that the longer Egyptian staples are now rather cheaper in price than the shorter staples.

Initial surprise at the increase in prices of American cotton at a time when prices were falling in the United States gave place to a recognition of the fact that the curtailment of American exports is to the advantage of the United States consumer, while for foreign consumers it implies a smaller supply and at the same time will add to the buying competition for supplies of substitute growths. The outlook for the desired continuity of supply of the qualities of cotton required by spinners is seen to be very much worse.

The new prices of raw cotton effective October 12, 1950, to British mills, by varieties, are as follows:

	<u>U.S. cents</u>
American.....	48.59
Brazilian Sao Paulo.....	49.00
East African.....	53.14
East African BP 52.....	55.30
West African.....	49.29
Haitian.....	49.23
East Indian, short staple.....	44.74
East Indian, American seed.....	44.98
Egyptian Ashmouhi.....	64.52
Zagora.....	64.98
Giza 30.....	64.40
Karnak.....	63.88
Menoufi.....	63.58
Sudan Zeidab.....	55.42
Sudan Tokar.....	65.28
West Indian Sea Island.....	76.12
Peruvian.....	56.41
Californian and El Paso.....	48.59

COTTON CONSUMPTION

UP. IN BELGIUM

Cotton consumption in Belgium has been reported at 423,000 bales (480 pounds net) or the highest of any postwar year and 36,000 bales above the 387,000 bales consumed last season, according to Robert N. Anderson, Agricultural Attache, American Embassy, Brussels. Undoubtedly the consumption of cotton during the past season would have been even higher if it had not been for the 4-week strike of textile workers in June 1950. The strike in June and 1 week paid vacation in July reduced cotton consumption appreciably in the final quarter of the past season from the high level that had been attained during the first 5 months of 1950.

The increase in consumption was due to increased demand largely in the export market for Belgium cotton piece goods. Belgian exports of cotton yarn dropped to 11,500 metric tons (25 million pounds) during the first 8 months of 1950, as compared to 14,200 metric tons (31 million pounds) during the corresponding period in 1949. This decrease in

yarn exports was more than balanced, however, by an increase in cotton piece goods exports, which reached 15,855 metric tons (35 million pounds) from January through August 1950 against 10,155 metric tons (22 million pounds) during the same period in 1949. At the end of July stocks of cotton yarn and cloth at spinning and weaving mills were about half the July 31, 1949, figure, a further indication of the favorable position of the cotton industry at the beginning of the 1950-51 season.

The tight raw cotton supply position and the current high prices of raw cotton have been the main concern of the cotton trade in recent months. The demand for raw cotton has been especially active since the outbreak of the Korean war as mills have attempted to cover their requirements for the 1950-51 season. According to trade sources mills have bought well ahead and, generally speaking, appear to be well supplied in raw cotton except perhaps for the second quarter of 1951. Sales of Mexican cotton at the Ghent market have been very active the past few months and at times have led sales of all other growths.

L A T E N E W S

(Continued from Page 413)

CORRECTION

In the "Late News" article on page 412, Foreign Crops and Markets, October 23, 1950, Vol. 61, No. 17, the first sentence should have read, "The total area planted to oil-bearing crops in Argentina for the 1950-51 season is currently forecast at about 8.9 million acres, a 12 percent increase over last year, according to the American Embassy, Buenos Aires."

- - - - -

United States officials, together with the British, availed themselves of the presence of representatives of Australia, New Zealand and South Africa at the recent Fourth Meeting of the International Study Group 1/ in London to discuss demands for wool arising from military needs and the impact which those demands are likely to have on the wool market. The main impact was found to pertain to the supply of fine cross-bred and medium merino wools in relation to military requirements for these grades and the discussions of the 5 countries centered on this problem.

(Continued on page 446)

1/ See Foreign Crops and Markets, October 16, 1950, Volume 61, Number 16, Page 362.

COTTON AND OTHER FIBER
(Continued from page 444)

COTTON-PRICE QUOTATIONS
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound		
					Spot quo-	Export and inter-	mediate taxes
<u>Alexandria</u>		:Kantar					
Ashmouni, Good.....	10-24	: 99.05 lbs.	:Tallari	:1/ 127.25	: 73.76	: 5.91	
Ashmouni, FGF.....	"	: "	: "	: 122.75	: 71.15	: 5.91	
Karnak, Good.....	"	: "	: "	: 121.00	: 70.14	: 5.91	
Karnak, FGF.....	"	: "	: "	: 115.00	: 66.66	: 5.91	
<u>Bombay</u>		:Candy					
Jarila, Fine.....	10-26	: 784 lbs.	:Rupee	: 770.00	: 20.50	: 5.32	
Broach Vijay, Fine....	"	: "	: "	: 840.00	: 22.36	: 5.32	
<u>Karachi</u>		:Maund					
4F Punjab, SG, Fine....	10-25	: 82.28 lbs.	: "	: Market	: closed		
289F Sind, SG, Fine....	"	: "	: "	: "	: "		
289F Punjab, SG, Fine..	"	: "	: "	: "	: "		
<u>Buenos Aires</u>		:Metric ton					
Type B.....	10-26	: 2204.6 lbs.	:Peso	: 4550.00	: 41.28	: 3.99	
<u>Lima</u>		:Sp. quintal					
Tanguis, Type 3-1/2....	10-24	: 101.4 lbs.	:Sol	: 540.00	: 35.62	: 19.59	
Tanguis, Type 5.....	"	: "	: "	: 520.00	: 34.30	: 18.24	
Pima, Type 1.....	"	: "	: "	: 660.00	: 43.53	: 26.33	
<u>Recife</u>		:Arroba					
Mata, Type 4.....	10-26	: 33.07 lbs.	:Cruzeiro	: 300.00	: 49.36	: 6.00	
Sertao, Type 5.....	"	: "	: "	: 320.00	: 52.65	: 6.40	
Sertao, Type 5.....	"	: "	: "	: 330.00	: 54.29	: 6.60	
<u>Sao Paulo</u>							
Sao Paulo, Type 5.....	"	: "	: "	: 382.00	: 62.85	: 2-1/2% ad	
<u>Torreón</u>		:Sp. quintal				: valoren	
Middling, 15/16".....	"	: 101.4 lbs.	:Peso	: 395.00	: 45.07	: 7.67	
<u>Houston-Galveston-New</u>							
Orleans av.Mid. 15/16"	"	:Pound	:Cent	: XXXXX	: 39.42	: ----	

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Correction: Ashmouni, Good, quoted 150.00 tallaris (86.96 U.S. cents) on October 12, 1950, should be 100.50 tallaris (58.26 U.S. cents).

L A T E N E W S

(Continued from Page 444)

In view of the character of the United States' military requirements it was agreed that the 3 southern Commonwealth countries would immediately investigate jointly with missions from the United Kingdom and the United States a system of preemption of enough wool to meet emergency need of the United States from the 3 countries. If a practicable and acceptable scheme can be devised which could operate without serious disruption to the auction system, the 3 southern Commonwealth countries are willing to introduce it with the least possible delay unless some alternative method of securing the United States military requirements for an emergency reserve is found more satisfactory.

After calculating the quantities the United States would obtain from other countries both on account of reserve and current requirements, it was estimated that the southern Commonwealth countries' share of the United States emergency reserve would be no greater than 100 million pounds clean basis; the actual proportion of this which it may be possible and desirable to obtain from the current clip by preemption or otherwise can only be determined at a later stage in the light of further examination of the problem and decision on the period of time over which the reserve will be built up. The Governments which have taken part in these discussions will cooperate to ensure, consistent with defense needs the best pattern and timing of wool purchases for military requirements, in order that the impact on trade may be as small as possible.

- - - - -
A decree issued by the Government of Italy in mid-October reduces the cotton import duty of 1 lira per kilogram (.073 cent a pound) to 50 centesimi (.036 cent). This small import duty on cotton has been in effect since 1934 as a source of revenue for the Italian Cotton Institute for use in research, organization, and publicity.

- - - - -
Pakistan's cotton export tax was increased on October 25 to 180 rupees per bale of 392 pounds net (13.85 cents a pound). The previous rate of duty was 60 rupees (4.62 cents).

- - - - -
A trade agreement between Pakistan and Italy concluded on June 29, 1950, and recently ratified by the Government of Pakistan provides for the export to Italy during July-June 1950-51 of 18 items worth about £ 11,000,000 (\$30,808,000) and including 40,000 metric tons of cotton, 40,000 tons of raw jute and smaller quantities of such products as cottonseed, potassium, nitrate, hides and skins. The cotton involved is valued at £ 6 million (\$16,804,000) and the jute at £ 4 million (\$11,203,000). In exchange Italy agreed to export to Pakistan 124 items worth £ 14,000,000 (\$39,210,000) including 10,000 tons of jute-manufactured products, cotton yarn worth £ 2 million (\$5,601,000), cotton cloth £ 1 million (\$2,800,000), woolen cloth £ 1 million (\$2,800,000), and manufactured silk yarn £ 2 million (\$5,601,000). Some provisions of this agreement may be difficult to meet, particularly on the part of Pakistan, in view of the fact that trade between the 2 countries during the first half of 1950 was less than one-fourth of the values specified in the agreement for 1 year.

